

RECORDATION NO. 29838 **FILED**

JUL 20 '11 -4 55 PM

SURFACE TRANSPORTATION BOARD

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July 20, 2011

Ms Cynthia T Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423

Dear Ms. Brown:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of July 20, 2011, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are.

Lender: PNC Equipment Finance, LLC
995 Dalton Avenue
Cincinnati, Ohio 45203

Borrower: Chicago Southshore & South Bend Railroad
Co
505 North Carroll Avenue
Michigan City, Indiana 46360

Ms Cynthia T Brown
July 20, 2011
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A description of the railroad equipment covered by the enclosed document is.

98 gondola railcars: CSS 2100 - CSS 2199 (except CSS 2178 and CSS 2186).

A short summary of the document to appear in the index is

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward M. Luria".

Edward M. Luria

RWA/EML/bhs
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SECURITY AGREEMENT

dated as of July 20, 2011,

between

CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO.,
as Borrower

and

PNC EQUIPMENT FINANCE, LLC,
as Lender

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301**

MEMORANDUM OF SECURITY AGREEMENT

THIS MEMORANDUM OF SECURITY AGREEMENT, dated as of July 20, 2011, by and between CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO., an Indiana general partnership ("Borrower"), and PNC EQUIPMENT FINANCE, LLC ("Lender").

1. Lender has made a loan to Borrower pursuant to a Loan and Security Agreement dated as of the date hereof (as amended from time to time, the "Security Agreement").

2. As security for the payment as and when due of the indebtedness of Borrower to Lender under the Security Agreement and under the Promissory Note of even date herewith issued by the Borrower in favor of the Lender pursuant to the Security Agreement (and any renewals, extensions and modifications thereof) and under any other agreement or instrument, both now in existence and hereafter created (as the same may be renewed, extended or modified), and the performance as and when due of all other Obligations of Borrower to Lender, both now in existence and hereafter created (as the same may be renewed, extended or modified), Borrower hereby grants to Lender a security interest in the railcars, equipment and/or other property (each, a "Unit", and collectively the "Units") described on the collateral schedule(s) in substantially the form attached hereto as Exhibit No. 2 now or hereafter executed in connection with the Promissory Note, and all additions, attachments, accessories and accessions thereto, and any and all leases, chattel paper, accounts, security deposits and general intangibles relating thereto and only to the extent that such chattel paper, accounts, security deposits and general intangibles consist of proceeds from insurance on or sale of Units or payments relating to lease of Units, and any and all replacements, substitutions and exchanges therefor and thereof in each such case in which Borrower shall from time to time acquire an interest, and any and all insurance and/or other proceeds thereof.

3. This Memorandum of Security Agreement may be executed in any number of counterparts, each of which shall be an original, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Security Agreement to be executed by its duly authorized officer as of the date first above written.

CHICAGO SOUTHSORE & SOUTH BEND
RAILROAD CO., as Borrower

By: Lance Warner
Name: Lance Warner
Title: Treasurer

COUNTY OF LaPorte
STATE OF Indiana

to wit:

I hereby certify that on this 30th day of July, 2011, before me, personally appeared Lance Warner, to me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the Treasurer of CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO., an Indiana general partnership, and acknowledged that s/he, as such Treasurer, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of CHICAGO SOUTHSORE & SOUTH BEND RAILROAD CO. by himself/herself as Treasurer.

Ramona K. Pilecki
Notary Public



PNC EQUIPMENT FINANCE, LLC
as Lender

By: Jon B. Lipstreu
Name: Jon B. Lipstreu
Title: Vice President

COUNTY OF Cuyahoga)
STATE OF Ohio) to wit:

I hereby certify that on this 20th day of July, 2011, before me, personally appeared Jon B. Lipstreu, to me personally known, who, being by me duly sworn, who acknowledged himself/herself to be the Vice President of PNC Equipment Finance, LLC, and acknowledged that s/he, as such Vice President, being authorized so to do, executed the instrument for the purposes therein contained by signing the name of PNC Equipment Finance, LLC by himself/herself as Vice President.

Therese M. Woodman
Notary Public



Exhibit No. 2

Collateral Schedule



COLLATERAL SCHEDULE

THIS COLLATERAL SCHEDULE is executed pursuant to and made a part of that certain Loan and Security Agreement dated as of July 20, 2011 (the "Agreement"), between PNC EQUIPMENT FINANCE, LLC ("Lender") and CHICAGO SOUTH SHORE AND SOUTH BEND RAILROAD COMPANY ("Borrower"), and describes collateral in which Borrower has granted Lender a security interest in connection with the Obligations (as defined in the Agreement) including without limitation that certain Promissory Note dated July 20, 2011 in the original principal amount of \$7,750,000 00

DESCRIPTION

Trinity Industries built new in 2006
Coil Gondola Rail Cars (98 units),
all with car mark "CSS" and the
following car numbers

Car Number	Car Number	Car Number	Car Number	Car Number	Car Number
1 2100	18 2117	35 2134	52 2151	69 2168	86 2187
2 2101	19 2118	36 2135	53 2152	70 2169	87 2188
3 2102	20 2119	37 2136	54 2153	71 2170	88 2189
4 2103	21 2120	38 2137	55 2154	72 2171	89 2190
5 2104	22 2121	39 2138	56 2155	73 2172	90 2191
6 2105	23 2122	40 2139	57 2156	74 2173	91 2192
7 2106	24 2123	41 2140	58 2157	75 2174	92 2193
8 2107	25 2124	42 2141	59 2158	76 2175	93 2194
9 2108	26 2125	43 2142	60 2159	77 2176	94 2195
10 2109	27 2126	44 2143	61 2160	78 2177	95 2196
11 2110	28 2127	45 2144	62 2161	79 2179	96 2197
12 2111	29 2128	46 2145	63 2162	80 2180	97 2198
13 2112	30 2129	47 2146	64 2163	81 2181	98 2199
14 2113	31 2130	48 2147	65 2164	82 2182	
15 2114	32 2131	49 2148	66 2165	83 2183	
16 2115	33 2132	50 2149	67 2166	84 2184	
17 2116	34 2133	51 2150	68 2167	85 2185	

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document

Dated: _____

7/20/11



Robert W Alvord